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Recommendation Number 1:

1. In brief, the recommendation assumes that time may be saved by eliminating the present system of posting and adjusting, by means of the expense IBM run, individual obligations in the ledgers and substituting a system of adjusting the obligation document MOR's from the expense run and summarizing them by adding machine tape and posting monthly in summary to the ledgers. As a part of this system it would be necessary to add "Obligation" and "Unobligated Balance" columns to the current MOR number record in order to " *** satisfy legal requirements for recording obligations and for a check to see the allotment is not over obligated". (Quoted from Tab A to reference.)

The following disadvantages appear to outweigh the advantages both as to time-saving and financial control.

a. The posting to the additional columns on the MOR number record is an additional operation and the unobligated balance figure would become meaningless since the proposal does not provide for reconciliation with the expense run; i.e. these obligation figures would never be adjusted to actual expenses. Reconciliation could perhaps be made on a monthly summary basis but this would be another additional operation.

b. Pursuant to discussion with members of the audit staff the preparation of MOR's for payroll items was discontinued in FY 1960. Adoption of this recommendation would require resumption of the preparation of payroll MOR's and these items are numerous.

c. Frequent reference is made to documents in the MOR file by persons outside of the Accounting Unit. A charge-out files receipt system would have to be established and rigidly enforced to avoid the omission of MOR's at the time that adding machine tapes were being run on them. To be useful, the files receipts would have to include the amount posted on the MOR. The preparation, filing and removal from the files of these receipts would represent a considerable amount of time and provide opportunity for errors by the entry of wrong figures on the receipt by persons not familiar with the MOR form itself.

d. Numerous enquiries are made by case officers as to amounts obligated against specific projects. Currently this information is available on a single ledger sheet. Under the recommended procedure it would be necessary to thumb through all the MOR's for the country, run an adding machine tape on those for the project in question and then refer to the ledger for the prior month-end cumulative total to add to the tape total.

~~CONFIDENTIAL~~

CONFIDENTIAL

e. Under current procedure some time is saved and records condensed by the assignment of a single MOR number for use on all items of the same kind such as reimbursements to State and ICA, military rolls, storage charges, etc. Maintaining a running unobligated balance on the MOR record sheet as suggested (last sentence para. 1) apparently would require preparation of an MOR for each individual item now grouped as indicated above, thus necessitating the preparation of a great many more MOR's with a corresponding expansion of the MOR files and complication of the use thereof.

f. Considering the purely manual operation involved in the recommendation, it appears that it would take much more time to turn over, with the left hand, each MOR with attached documents (greatly increased in number as indicated under "e" above) while running an adding machine with the right hand than is required to add a column of figures from a ledger page. Also, it appears probable that the increased number of MOR's would increase the time required to perform the reconciliation with the expense run to an extent which would further offset any time saved by eliminating the current procedure of comparison of the expense run with ledger postings and making adjustments thereof on an individual item basis.

2. Considering the disruption that would be caused in an organization the size of FE/BF by making a change in procedure of the magnitude recommended, it is suggested that if the proposal is deemed to have merit, it be tried out in a BF office where the functions involved are comparable and are performed by one individual. An actual time study would be much simpler with just one person.

CONFIDENTIAL

Recommendation Number 2:

1. It is suggested that expenditures from the Petty Cash fund be charged to the Headquarters Support Cost Center rather than to individual project or country cost centers as is presently done. The recommendation states that the majority of individual expenditures are for amounts ranging from less than one dollar to approximately three dollars. While it is true that the majority of the items are small it is also true that over 80% of the funds expended are for direct operational purposes such as local entertainment. For the months of July and August 1960 these sums were approximately \$315 and \$360 respectively.

2. In discussion with the Approving Officer it was determined that adoption of the recommendation in so far as the small cab fare and postage items are concerned would be appropriate but that the larger operational expenditures should continue to be charged to the specific projects or countries.

3. In accordance with the foregoing, this recommendation will be partially adopted.

Recommendation Number 3:

1. With regard to the listing of "Division Cost Centers" currently prepared and distributed it is suggested that (a) the number of copies being distributed be re-evaluated and (b) sufficient copies of the list and amendments furnished by the Comptroller's office be obtained to eliminate the preparation of such lists in FE/BF.

2. The "a" part of this recommendation has been put into effect and the distribution has been considerably reduced.

3. With regard to the "b" portion of the recommendation it must be recognized that availability for ready reference purposes of a project listing in numerical sequence under each country is highly advantageous for persons whose work requires the use of cost centers. The list furnished each fiscal year by the Comptroller's office, even though it is double spaced, would not accommodate interlineation of new projects for a full year. To thumb through the sheaf of amendments which grow to a considerable thickness toward the end of a year would be a very time consuming and frustrating activity for persons in frequent need of such information.

4. In accordance with the foregoing, this recommendation has been adopted in part.

Recommendation Number 4:

1. It is recommended that the IEM list of "Status of Advances" be noted as to action taken on each individual and forwarded to the Finance Division through the Chief, FE/Support thus eliminating the bi-monthly typing of all entries on the list under current procedure which utilizes the list as notification media to employees and a work sheet in FE/BF.

2. It is understood that the FE Division enjoys a very good reputation with regard to effective control of advance accounts. Strange as it may seem this is attributed, at least in part, to the salutary effect of receipt by a delinquent individual of his cut out portion of the IEM run bearing a large-letter stamp: DELINQUENT.

3. In view of the effectiveness of our present notification procedure it appears inadvisable to change it; however, recognizing the merit in the recommendation it will be adopted in part as follows:

a. Delinquent accounts will continue to be cut out of the IEM list and forwarded to individuals.

b. The remainder of the list will be appropriately noted for each account and forwarded to the Finance Division by a transmittal memorandum which will include a report on the accounts cut out of the list.

4. Partial adoption of the recommendation as indicated above will eliminate better than 90% of the typing that has been done in the past.

Recommendation Number 5:

1. Inasmuch as a spot review of station files indicated elapsed time of approximately 2 weeks between receipt of and reply to dispatches it is recommended that a time limit be established for replying to dispatches. A similar spot check indicated cable replies within one or two days.

2. To establish a "due date" for replies to dispatches would require an additional follow-up procedure to be performed by FE/HF clerical/secretarial personnel. Since there are only three persons in the Branch who write replies to dispatches it would seem that the accomplishment of prompt replies should be possible by placing responsibility upon these persons without setting up a special procedure. For consideration is the fact that the spot check made undoubtedly included a period of vacation time and of a budget preparation exercise which involved very nearly the full time of two of the three aforementioned persons. In an organization of this size and varied duties there must be considerable flexibility for determination of priorities.

3. Pursuant to the foregoing it is deemed inadvisable to establish a specific time limit and establish a follow-up procedure for replies to dispatches.

Recommendation Number 6:

1. It is recommended that FE/DP limit the filing of Agency regulatory issuances to those categories related to the functions of the Section.
2. The value of this suggestion was obvious and it has been put into effect. The number of folders and safe space required for this filing has been materially reduced and reference to the material will be facilitated.

Recommendation Number 7:

1. The consolidation of field correspondence cable and dispatch folders and the use of standard 11 pt. Kraft folders is recommended.
2. The suggested consolidation would result in making the folders too thick for convenience in handling and increase the time required to locate a reference. Since the review was made at the beginning of a fiscal year this may not have been apparent.
3. It does not appear that any advantage would accrue to changing the folders in use for the following reasons:
 - a. The heavier, metal tab folders now in use were obtained second-hand and, therefore, represent no additional cost to the Government.
 - b. Though the contents of these files are of temporary reference value (as stated in recommendation), only the contents are discarded. The folders are used indefinitely.
 - c. Since the heavier duty folders now in use will presumably outlast several sets of the recommended lighter weight folder, their use should effect a saving to the Government over a period of time.
 - d. It does not appear that the difference in thickness of the material of which the different folders are made could represent a saving of "*** about one half of the safe space now required" i.e., two drawers.
 - e. The recommended folders do not have quite the same capacity and, being flimsier, are less convenient for use.
4. In view of the foregoing there does not appear to be sufficient advantage in the recommendation to justify adoption.

Recommendation Number 8:

1. Elimination of the current "separate cover dispatch log" and substitution of a "hold" file for retention of such items until the transmittal dispatch is received is recommended. It is stated that notation on the transfer dispatch routing sheet of the date of receipt of the separate cover attachment would adequately document receipt of the Separate Cover Attachment.

25X1A 2. The recommendation has merit but appears to overlook one operation; the fairly frequent necessity to determine whether an SCA has been received. This determination must be made upon receipt of every dispatch indicating an SCA and, with some frequency, for reply to inquiries from FE [REDACTED] and the FE Branches. In this connection it must be recognized that SCA's are frequently received before the transmittal. Since Abstract File Slips are not used on SCA's, determination as to receipt thereof must be made by a physical search of those on hand or the maintenance of some sort of listing record. The procedure in use utilizes the latter method.

3. It is the sincere belief of the person responsible for performing this operation that the time required to record receipt of SCA's is more than offset by the time saved in not having to make a physical check of SCA's each time that it is necessary to determine whether one has been received.

4. Since the current procedure was developed by the person using it, morale considerations alone might be sufficient reason to avoid compelling a change at this time. This consideration taken together with the apparent slowness of any actual time saving that might be effected makes adoption of the recommendation appear inadvisable, at least at this time.

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Recommendation Number 9:

1. It is proposed that there is no purpose in maintaining a file of Abstract File Slips for incoming dispatches which remain in FE/BF as is currently done and that such practice should be reduced to maintenance of the file for only those dispatches which are forwarded out of the Section. It is contended that regulations do not require logging at this level and that it serves no purpose since the recommended file would show disposition of dispatches forwarded from the Section and all others must be on file in the Section.

2. The advantage of reducing the volume of Abstract File Slips would obviously facilitate use of the file for reference purposes; however, the following disadvantages would accrue to the elimination of the current procedure:

a. In many cases the clerk maintaining the file does not know whether a dispatch will be forwarded or remain in the Section until action is indicated on the route slip by the Section person taking action; therefore, she could not take action in regard to filing or not filing the slip until the dispatch was returned to her. This would mean that the dispatch would be unrecorded for a period which might extend to a few days.

b. Noting on the file slip the Section individual to whom the dispatch was directed is a distinct aid to locating ones recently received and not finally processed.

c. There are six Section files in which dispatches may be filed; therefore, the mere knowledge that a dispatch is in the BF Section would not serve as an adequate locator.

d. In the case of a dispatch not readily located in the Section, and for which no slip was filed since it was noted for retention in FE/BF, it would be necessary to call [REDACTED] to determine that it actually had been forwarded to FE/BF.

3. In view of the foregoing - and since it appears that more time might be lost in searching for dispatches than is now used in maintaining a record of their disposition - adoption of the recommendation does not appear to be justified.

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Recommendation Number 10:

1. Combination of the log for "Non Accountable Manifests" and the log for "Non Accountable Manifest Separate Cover Attachments" by the addition of one entry on a single form is recommended.

2. Though the advantage of combining the records on one form was immediately recognized, consideration of the fact that sometimes an SCA is received prior to receipt of the manifest transmittal and the desirability of posting "In" and "Out" dates for both (one is not always held until the other is received) lead to the conclusion that a single additional column would not be adequate.

3. The principle of the recommendation has been adopted by revision of the form to include the following columns:

MANI	DATE	DATE	SCA	DATE	DATE
No	In	Out	No	In	Out

Whichever is received first, the "Mani" or the "SCA" will be posted entirely and upon receipt of the other it will be posted in the remaining appropriate columns.

4. The basic recommendation of combining the logs has been adopted as indicated above and will be put into practice as soon as appropriate forms can be prepared.

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Recommendation Number 11:

1. It is suggested that the amount of information posted to the Travel Order Log be reduced since similar information is available from other sources such as the travel order "book" (file of travel order copies), the wheel file or travel order copies filed in the Accounting Unit MOR File.
2. Under present procedure the Travel Order Log (from which travel order numbers are assigned) is the initial recording of a travel order request and is the sole reference source until the travel order is typed and approved. Copies are neither filed nor posted to the card record until an approved copy is returned to the Unit. The data posted to the Log is only that which is necessary to answer normal inquiries.
3. The Travel Order Log was referred to in the most recent budget preparation exercise to obtain a count on TDY/PCS trips.
4. The consensus of the persons at the working level is to the effect that the current postings take but seconds and accomplish an actual savings in time that would otherwise be used in search for the information from some other source.
5. In view of the foregoing it does not appear that adoption of this recommendation would be advantageous.

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